

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: Sept 21, 2022 **Approx. Start Time:** 11:00 am **Approx. Length:** 30 min

Presentation Title: Modification to the Clackamas Industrial Area (CIA) Urban Renewal Plan

Department: DTD-Development Agency

Presenters: Dan Johnson, Director
David Queener, Development Agency Program Supervisor

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction on the following two proposed modifications to the Clackamas Industrial Area (CIA) Urban Renewal plan:

- 1.) modification to increase funding for a fire training facility and /or
- 2.) modification to expand uses for disposition of land.

EXECUTIVE SUMMARY:

Proposed Modification to Increase Funding for a Fire Training Facility

As part of a Direct Investment program, approved by the Board of County Commissioners in 2015, the Development Agency entered into funding agreements with a number of local service providers to direct project funding in the Clackamas Town Center (CTC) Urban Renewal Plan area consistent with adopted plans for needed capital improvements. One funding agreement was with Clackamas Fire District #1 where the Agency provided \$2,500,000 toward the cost of constructing a new administrative facility within the Clackamas Town Center Urban Renewal plan area. Those funds were disbursed in February 2015.

Unfortunately, during preliminary design for the new administrative building, it was determined that a new facility was unfeasible and that making modifications to the existing administrative building would meet their needs. To date, the district has utilized approximately \$1,015,293 of the funds provided by the Agency. Expenditures to date, which were consistent with the terms outlined in the Funding Agreement, include the following:

- Professional services for the design of a new Administration Services Building: \$488,000
- Purchase of property adjacent to the Fire District Administration property: \$240,081
- Capital improvements to Administration Office (remodeling to create additional office space): \$92,212
- Capital improvements to Station 1 female locker room/female dorm (Fire Station above Admin Offices): \$70,000
- Improvements to adjacent property to create administrative office space for staff: \$75,000
- Installation of security fencing and gates for Administration property: \$50,000

The Fire District has approached the Agency about needed funding for upgrades to their training facility, which is located within the Clackamas Industrial Area Urban Renewal plan area. They have requested returning the remaining \$1,484,707 in unspent funds that were provided from the Town Center plan area and having that same amount be provided to them from the Clackamas Industrial Area plan area for the training facility upgrades. There are sufficient remaining funds in the Clackamas Industrial Area plan area to cover these costs.

The Clackamas Industrial Area Plan, which was adopted in 1984, identified funds to be used toward training facilities for the Fire District. At the time, it limited the total contribution toward the cost of a training facility to \$300,000. The Agency provided the aforementioned funding in the 1990's.

In order for the Agency to be able to provide the additional funding, as requested by the District, an amendment to the Plan must first be completed. Counsel is reviewing whether the amendment is minor or substantial in nature.

If the Board's decision is to proceed with the amendment and subsequent disbursement of funds to the Fire District, staff would begin the amendment process based on the recommendation of counsel. Once approved, a new Funding Agreement with the Fire District, which will be presented to the Board for approval, will enable funds to be provided from Clackamas Industrial plan area. This new funding agreement would mandate the Fire District return the unused funds provided from the Town Center plan area.

Proposed Modification to Expand Uses for Disposition of Land

Cross departmental coordination to facilitate expanded housing and sheltering options for those in need throughout the County has been a priority for the Board. In that spirit of coordination Health, Housing and Human Services (H3S) has expressed interest in possibly acquiring Development Agency property within the CIA which has limited redevelopment potential.

Any disposition of Agency owned property must be conducted in a way that is consistent with the Clackamas Industrial Area Development Plan. Currently the CIA plan allows for the disposition of land at a fair reuse value to other public entities so long as the property is used for purposes designated in the Plan. The overall purpose of the urban renewal Plan is to eliminate blight by providing needed infrastructure and public facilities in order for the area to become a vital, intensive employment center. While the Plan does not specifically identify the need for community services, it could be argued the goals of the Plan are being met because homelessness is being reduced and job opportunities are being created.

Agency Counsel has reviewed the Plan in order to give guidance on whether potential disposition of the property to H3S is consistent with the Plan. Counsel indicated that the courts have generally given great deference to governing bodies when interpreting their urban renewal plans. Having said that, the more transparent and prudent path would be to amend the Plan to include disposition of real property for the specific uses as provided by H3S. This would likely be considered a minor amendment as the intended use of the property is consistent with the overall goals of the plan. Minor amendments are approved by the Agency governing body through resolution.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

- What is the cost?

To be determined; depending on the scope of the modification. Should counsel determine a major amendment be required for the modifications staff would estimate approximately \$20,000 - \$30,000 to hire a consultant and advance through an adoption process. Subsequent action by the Board, made available through these proposed amendments, may result in additional expenditure or revenues

- What is the funding source?

Urban Renewal

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
This aligns with DTD's mission to provide services so that future generations can experience and invest in a healthy, safe and livable community.
- How does this item align with the County's Performance Clackamas goals?
This aligns with the Board goal to provide a strong infrastructure and to ensure safe, healthy and secure communities.

LEGAL/POLICY REQUIREMENTS:

County Counsel is determining whether a minor or substantial amendment to the Clackamas Industrial Area Urban Renewal plan must be completed.

A minor amendment can be approved by the Agency through a resolution. A substantial amendment has a more involved process that includes:

- An analysis to ensure the proposal is consistent with the Plan
- Drafting of the Amendment language
- Communication with overlapping taxing districts
- Providing public notice
- Presentation to and approval of the Planning Commission
- Preparation, presentation and approval of a County Ordinance
- Two public hearings before the Board

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff has coordinated with Clackamas Fire District #1 and Health Housing and Human Services on their improvements and related expenditures to date.

OPTIONS:

Option #1: Direct staff to begin the process of an amendment to the Clackamas Industrial Area (CIA) Urban Renewal Plan to increase expenditure for a fire training facility and expand uses for disposition of land.

Option #2: Direct staff to begin the process of an amendment to the Clackamas Industrial Area (CIA) Urban Renewal Plan to increase expenditure for a fire training facility.

Option #3: Direct staff to begin the process of an amendment to the Clackamas Industrial Area (CIA) Urban Renewal Plan to expand uses for disposition of land.

Option #4: Take no action at this time.

RECOMMENDATION:

Option #1: Direct staff to begin the process of an amendment to the Clackamas Industrial Area (CIA) Urban Renewal Plan to increase expenditure for a fire training facility and expand uses for disposition of land.

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval *Dan Johnson*

County Administrator Approval _____

For information on this issue or copies of attachments, please contact David Queener at 503-742-4322
--